

FORM MR-RC
Revised May 30, 1990
RECLAMATION CONTRACT

File Number M/049/005

Effective Date 12-7-90

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*Replaced
5/1/98
This Original
Returned
5/20/98*

NOV 08 1990

RECLAMATION CONTRACT
---ooOoo---

DIVISION OF
OIL, GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/049/005
(Mineral Mined) CLAY

"MINE LOCATION":
(Name of Mine) Tim Gay
(Description) See mine location map

"DISTURBED AREA":
(Disturbed Acres) 50 acres
(Legal Description) Parts of Sections 7, 12, 13, T.7S., R.1 W., and part of Section 7 T. 7 S., R. 1. E. SLB & M

"OPERATOR":
(Company or Name) INTERSTATE Brick comp.
(Address) 9780 S. 5200 W
W. Jordan UT 84084
(Phone) 561-1471

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

Interstate Brick Company
9780 South 5200 West
West Jordan, Utah 84084

(Phone)

"OPERATOR'S OFFICER(S)":

(801) 561-1471
David Lucchetti, President
Pacific Coast Building Products

"SURETY":

(Form of Surety - Exhibit B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

St. Paul Fire & Marine Ins. Co.
Bond

"SURETY AMOUNT":

(Escalated Dollars)

\$61,816

"ESCALATION YEAR":

1996 Dollars

"STATE":

"DIVISION":

"BOARD":

State of Utah
Division of Oil, Gas and Mining
Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

10/24/90

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/005 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.


NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing. If the surety contract expressly provides for cancellation, then, not less than 30 days, prior to the expiration date of the surety, the Operator shall provide a replacement surety in a form and amount acceptable to the Board. If the Operator fails to so provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin reclamation of the site. In addition, if the Operator fails to so provide an acceptable replacement surety, the Division may call or draw upon the full amount of existing surety prior to cancellation or expiration.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure to Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.

8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including attorneys fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 6th day of December 1990.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 
Chairman, Board of Oil, Gas and Mining

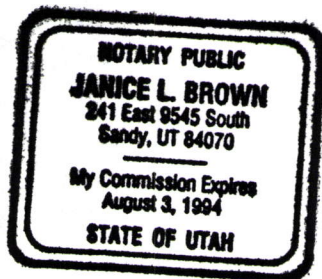
DIVISION OF OIL, GAS AND MINING:

By *Dennis R. Nelson*
Director

12-7-90
Date

STATE OF *Utah*)
COUNTY OF *Salt Lake*) ss:

On the *7th* day of *December*, 19 *90*, personally appeared before me, who being duly sworn did say that he/she, the said *Dennis R. Nelson* is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledge to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Janice L. Brown
Notary Public
Residing at: *241 East 9545 South*
Sandy, Utah 84070

August 3, 1994
My Commission Expires:

OPERATOR:

Pacific Coast Building Products, Inc. dba

Operator Name: Interstate Brick

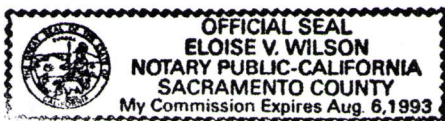
By Nick Kalanges
Corporate Officer - Position

August 9, 1990
Date

Nick Kalanges Chief Financial Officer

STATE OF California)
) ss:
COUNTY OF Sacramento)

On the ninth day of August, 19 90, personally
appeared before me Nick Kalanges who being
by me duly sworn did say that he/she, the said Nick Kalanges
is the Chief Financial Officer of P.C.B.P. dba Interstate Brick
and duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Nick Kalanges duly acknowledged to me that said
company executed the same.

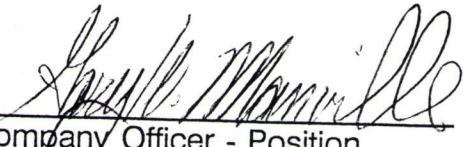


Eloise V. Wilson
Notary Public
Residing at: 3001 I Street
Sacramento, CA 95816

August 6, 1993
My Commission Expires:

SURETY:

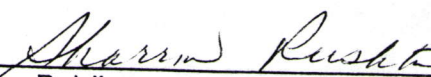
St. Paul Fire & Marine Insurance Company
Surety Company

By 
Company Officer - Position
Gary W. Manville Attorney-in-Fact

August 1, 1990
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 1st day of August, 19 90, personally
appeared before me Gary W. Manville who being
by me duly sworn did say that he/she, the said Gary W. Manville
is the Attorney-in-Fact of St. Paul Fire & Marine Insurance Company
and duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Gary W. Manville duly acknowledged to me that said
company executed the same.


Notary Public Sharron Rushton
Residing at: 649 East South Temple

7-1-91
My Commission Expires:

SLC, UT 84102

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-328-2189 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

GENERAL POWER OF ATTORNEY - CERTIFIED COPY
(Original on File at Home Office of Company. See Certification.)

KNOW ALL MEN BY THESE PRESENTS: That **St. Paul Fire and Marine Insurance Company**, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

Jean M. Lambourne, Gary W. Manville, Edward F. Folland,
Edward B. Moreton, L. Kent Bills, William R. Moreton,
Joyce R. Hartley, Jonathan M. Jepsen, individually, Salt Lake City, Utah

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

NOT TO EXCEED IN PENALTY THE SUM OF TEN MILLION (\$10,000,000) EACH

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said **St. Paul Fire and Marine Insurance Company**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of **ST. PAUL FIRE AND MARINE INSURANCE COMPANY** at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6(C):

- "The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority
- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
 - (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
 - (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 6th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."



IN TESTIMONY WHEREOF, **St. Paul Fire and Marine Insurance Company** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 20th day of April, A.D. 1990.

STATE OF MINNESOTA } ss.
County of Ramsey

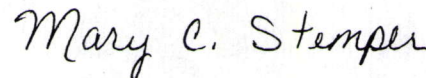
ST. PAUL FIRE AND MARINE INSURANCE COMPANY


DAVID LITZKOW, Vice President

On this 30th day of July, 19 90, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of **St. Paul Fire and Marine Insurance Company**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the city of St. Paul, Minnesota, the day and year first above written.



MARY C. STEMPER, Notary Public, Ramsey County, MN
My Commission Expires November 1, 1990

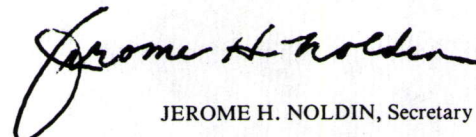
CERTIFICATION

I, the undersigned officer of **St. Paul Fire and Marine Insurance Company**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

1st day of August, 19 90.


JEROME H. NOLDIN, Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.



Attachment A
Legal Description

General Office/Plant
9780 South 5200 West
West Jordan, Utah 84084
801/561-1471
Out of state (WATS): 800/233-8654
In state (WATS): 800/233-1244

September 23, 1987

Mr. Frank Jensen
Soils Reclamation Specialist
Division of Oil, Gas, and Mining
355 W. North Temple
3 Triad Center
Suite 350
Salt Lake City, UT 84180-1203

RECEIVED

SEP 25 1987

DIVISION OF OIL
GAS & MINING

Return Certificate Requested, Article# P 115 168 713

Dear Mr. Jensen:

RE: Jim Gay Bonding, ACT/049/005, Utah County

Please find attached a USGS Quad map showing the permit area, a mine map highlighting the actual proposed disturbance area, and the document from the bonding company. In addition, listed below is a more specific description of the proposed disturbance area broken down by section.

° Section 7, Township 7 South, Range 1 East, Salt Lake Base and Meridian, Utah County, Utah.

Proposed disturbance area (general description): NW $\frac{1}{4}$ and SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 7, specifically, commencing at the Southwest corner of the above described Section 7, and running thence East 600 feet along the South section line of said section, thence North 1700 feet, thence West 600 feet to the West section line of said section, thence South 1700 feet to the point of beginning.

The actual proposed disturbance area is shaded on the mine detail map and contains 13.5 acres.

° Section 12, Township 7 South, Range 1 West, Salt Lake Base and Meridian, Utah County, Utah.

Proposed disturbance area (general description): SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 12, specifically, commencing at the Southeast corner of the above described Section 12, and running thence West 600 feet along the South section line of said section, thence North 1320 feet, thence East 600 feet to the East section line of said section, thence South 1320 feet to the point of beginning.

The actual proposed disturbance area is shaded on the mine detail map and contains 11.2 acres.



General Office/Plant
9780 South 5200 West
West Jordan, Utah 84084
801/561-1471

Out of state (WATS): 800/233-8654
In state (WATS): 800/233-1244

° Section 13, Township 7 South, Range 1 West, Salt Lake Base and Meridian, Utah County, Utah.

Proposed disturbance area (general description): NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 13, specifically, commencing at the Northeast corner of the above described Section 13, and running thence West 1300 feet along the North section line of said section, thence South 1700 feet, thence East 1300 feet to the East section line of said section, thence North 1700 feet to the point of beginning.

The actual proposed disturbance area is shaded on the mine detail map and contains 25.4 acres.

If any more information is required please do not hesitate to request it.

Sincerely,

Lance Jackson
Raw Materials Supervisor

enclosures

LJ/wp

EXHIBIT B

MR FORM 5

February 1990
(Noncoal)

THIS BOND IS REPLACING BOND #104852
WITH SEABOARD SURETY COMPANY

Bond Number _____
Permit Number ACT/049/005
Mine Name Jim Gay

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LAND RECLAMATION ACT

SURETY BOND

*Surety replaced
5/98
This original
returned to operator
5/20/98*

The undersigned Interstate Brick Company
as Principal, and St. Paul Fire and Marine Insurance Company
as Surety Company, hereby jointly and severally bind ourselves, our heirs,
administrators, executors, successors, and assigns unto the State of Utah,
Division of Oil, Gas and Mining (Division) in the penal sum of Sixty One Thousand Eight
Hundred Sixteen & No/ dollars (\$ 61,816.00).

The Principal estimated in the Mining and Reclamation Plan approved by the
Division on the 2nd day of October, 19 87, that 50
acres of land will be disturbed by this mining operation in the State of Utah.

Obligations guaranteed by this performance bond shall be in effect for the
following described lands:

Parts of Sections 7, 12, 13, T. 7 S., R. 1 W., and part
of Section 7 T. 7 S., R. 1 E. SLB & M

When the Division has determined that the Principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the Surety Company.

This bond may be cancelled by the Surety Company after ninety (90) days following receipt by the Division and the Principal of written notice of such cancellation. The Surety Company's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that the Surety Company will retain liability for any outstanding reclamation obligation of the Principal existing prior to the termination of the Bond.

The Surety Company and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses which the Division may sustain as a result of the Principal's failure to comply with the condition(s) of the obligation.

The Surety Company will give prompt notice to the Principal and to the Division of any notice received or action filed alleging the insolvency or bankruptcy of the Surety Company, or alleging any violations or regulatory requirements which could result in suspension or revocation of the Surety Company's license to do business.

Dated this 26th day of March, 19 90.

State of Utah
Board of Oil, Gas and Mining


Gregory P. Williams, Chairman

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 3-26-90

Interstate Brick Company
Principal (Permittee)

By: 

Title: CHIEF FINANCIAL OFFICER

Date 3-26-90

St. Paul Fire and Marine Insurance Company
Surety Company

By: 

Title: Gary W. Manville Attorney-in-Fact

APPROVED AS TO FORM:

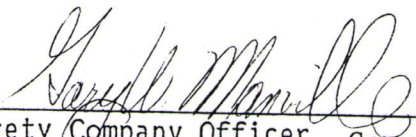
By: 

Assistant Attorney General

NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.


AFFIDAVIT OF QUALIFICATION

Gary W. Manville, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

Signed: 
Surety Company Officer Gary W. Manville

Title: Attorney-in-Fact

Subscribed and sworn to before me this 26th day of March, 19 90.


Notary Public
Sharron Rushton

My Commission Expires:

July 1,, 19 91.